

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
O.O.C.J.**

COMPANY PETITION No. 315 of 2006
CONNECTED WITH CA No.431 of 2006.

In the matter of Sections 391 to 394
of the Companies Act, 1956.

EKL APPLIANCES LIMITED. ..PETITIONER.

WITH

COMPANY PETITION No. 336 of 2006.

CONNECTED WITH COMPANY APPLICATION No.445/2006.

VIDEOCON INDUSTRIES LIMITED. ..PETITIONER.

MR.N.G.PANDYA, i/b. PANDYA & Co. for petitioner.

Mr. J.C. Joy, with Mr.Sharma for R.D.

Mr. S.C. Gupta, O.L.

CORAM : S.C.DHARMADHIKARI,J.

DATE : 30th June, 2006.

P.C.

1] Heard Mr. Pandya, learned Counsel
for the petitioner and Mr. Joy, counsel appearing
for the Regional Director.

2] This petition seeks sanction to the scheme
of amalgamation. (Exhibit F and details of which are
set out in paragraph 16 of the petition).

3] The very perusal of the petition and
annexures makes it clear that the petitioner is the
transferor company and it will be taken over by
Videocon Industries Limited which is the Transferee

Company. The transferor company and the transferee company are in more or less identical business. The transferee Company wants to amalgamate the transferor company's business and diversify its activity.

4] The Chartered Accountant was appointed by this Court for scrutiny of the accounts and records of the Transferor Company. This Court also directed a meeting of the equity shareholders and unsecured creditors of the transferor company to be convened. A meeting was convened and the Chairman's report is placed on record. The scheme has been approved by the equity shareholders and unsecured creditors.

5] The Regional Director has filed his affidavit and has annexed thereto a letter received by one of the shareholders of the transferor company (Mr. Rajesh Shah). His objection was that the valuation report submitted by M/s. G.D. Apte and Co. discloses that there is an unfair share exchange ratio. Save and except this, the Regional Director has not found anything in the scheme which is prejudicial to the interest of the shareholders and creditors.

6] Mr. Pandya has filed an additional affidavit of the Company Secretary of the petitioner

and also handed over a copy of the letter addressed by above shareholder to the Regional Director. The Official Liquidator now points out that the complete valuation report was forwarded to him and he is satisfied with the explanation as also the share preference ratio. He, therefore, withdraws his objection to the sanction of the scheme.

7] The Official Liquidator has referred to the findings of the Chartered Accountant who has scrutinized and verified the relevant records and books of account for the necessary period (past five years). There are certain queries raised by the Chartered Accountant and which are part of his correspondence with the Official Liquidator about free hold land and assets so also the remuneration. The explanation of the management furnished to the Chartered Accountant, is satisfactory.

8] In the aforesaid circumstances, the Official Liquidator relies upon the conclusions that management of the Transferor Company has not been carried on contrary to the interest of the Members and public at large.

9] Consequently, the Company Petition No.315 of 2006 is made absolute in terms of prayer clause (a) to (g) and Company Petition No. 336 of 2006 is made absolute in terms of prayer clause (a) to (f) subject to payment of costs to Regional Director and Official Liquidator quantified at Rs.2,500/-each in a respective petition.

10] All concerned parties including Registrar of Companies to act on the ordinary copy of the order and scheme annexed to the petition, authenticated by the Company Registrar, High Court,Bombay.

11] Filing and issuance of drawn up order is dispensed with.

[S.C.DHARMADHIKARI,J.]